

Corporate cost-cutter Mike Duggan elected Detroit mayor

Jerry White**8 November 2013**

Mike Duggan, the multi-millionaire former Wayne County prosecutor and top executive of the Detroit Medical Center (DMC), was elected mayor of Detroit Tuesday. By a margin of 55 to 45 percent, Duggan defeated fellow Democrat, ex-Wayne County Sheriff Benny Napoleon, in a non-partisan election.

The election attracted barely 25 percent of registered voters, meaning Duggan will take office with the support of only a tiny fraction of the city's eligible voters. However, he enjoyed the overwhelming support of the corporate, political and media establishment, which considers the cost-cutting operations he carried out at DMC to be a model for the "turnaround" of Detroit.

According to the *Detroit Free Press*, Duggan left the DMC as one of Michigan's highest-paid health care executives in 2011, collecting more than \$2.4 million, including stock options from Vanguard Health Systems, which bought the hospital in 2010.

Duggan received nearly \$2 million in backing from major corporate donors, including political action committees associated with Quicken Loans CEO Dan Gilbert, who has bought up much of the real estate in downtown Detroit; Ford executive Bill Ford; Compuware founder Peter Karmanos; Roger Penske and executives from Vanguard Health Systems.

The low turnout for the election was a measure of how discredited the political establishment is in the eyes of the city's population. For ordinary workers and youth in the country's poorest big city, the city government has offered nothing but decades of budget cuts and the dismantling of public education, transportation, fire protection and other essential services.

Duggan will essentially be a figurehead for the next year at least, as decision-making powers in the city

currently lie in the hands of Kevyn Orr, an unelected emergency manager. A former lawyer from the high-powered Jones Day law firm, Orr has thrown the city into bankruptcy, ripped up labor agreements and moved to gut the pensions, health care and other benefits from nearly 30,000 current and retired municipal workers.

Orr is set to release an "adjustment" plan by the end of the year to pay off the big banks and bondholders that control the city's debt. The plan is expected to include the removal of services from areas of the city deemed too poor for investment, the privatization of much of what remains of public services and the sale city-owned assets, including masterpieces from the Detroit Institute of Arts.

Duggan is a former law school classmate of Orr at the University of Michigan. Bill Knowling, the spokesman for the emergency manager, said that his boss would soon meet with the mayor-elect so the two could work out the "structure" of their collaboration. Duggan, Knowling added, "has made a very strong case about why he can be helpful in restructuring the city of Detroit. What would the new mayor need to make it work? What are the things that we can turn over to him? The city needs to be run the right way."

Duggan campaigned as an opponent of the emergency manager, trying to adapt to popular opposition to the anti-democratic takeover of the city. However, in the months leading up to Snyder's March 25 appointment of Orr by Republican Governor Rick Snyder, Duggan was in constant communication with the chief conspirators involved. This included State Treasurer Andy Dillon, a Democrat and former investment banker who Duggan described as a "good friend," and Snyder's consultant, Rich Baird.

According to an email that has surfaced in a lawsuit against Snyder, Baird had dinner with Duggan on

February 5, 2013 and discussed the timing of the installation of the emergency manager in Detroit. While the recipient's name is redacted, it is apparently a reference to Orr, more than a month before he was appointed as emergency manager. It notes: "Mike has made a reasoned, logical and impassioned plea to defer any appointment of an EFM (Emergency Financial Manager) until after the election in November."

Baird reports that Duggan cited concerns that an emergency manager would make "too many decisions to resolve the short term crisis" without regard "to the long term (hiring a police chief, consolidating operations under an authority, not prioritizing city services in the same way as a strong mayor would, etc.)."

Baird continues: "While I do not believe the agenda and interests of the right EFM would diverge much from a proven turnaround leader like Duggan, we are going to take some time over the next week or so to explore his concerns and determine whether his long term vision for the city is incongruent with the steps we need to take under a centralized decision authority model."

In the end, Snyder's people clearly concluded that Duggan would be their man in Detroit, with Baird personally donating \$2,500 to his election campaign.

The Detroit and national media have focused almost exclusively on race in their analysis of the Detroit mayoral election results. Typical was the headline in the *Washington Post*, which declared, "Voters in predominantly black Detroit elect Mike Duggan city's first white mayor in 4 decades."

As always, the promotion of race is used to conceal the class character of social and political relations in America. The working class in Detroit, which was in the forefront of the mass struggles that led to the formation of the industrial trade unions in the 1930s and the civil rights and other mass struggles of the 1960s and 1970s, has been the target of an unrelenting class war, backed by both Democrats and Republicans. Some 90 percent of the city's manufacturing jobs have been wiped out since 1950, part of the deindustrialization of the American economy and the rise of the most parasitic forms of financial speculation.

It has been 40 years since the election of the city's first black mayor, Coleman Young, one of many African American Democrats put in power with the

support of corporate America after the wave of ghetto rebellions of the 1960s.

Since that time, a thin stratum of corrupt black politicians and businessmen in Detroit have enriched themselves by serving the interests of the auto companies and the banks. This includes Kwame Kilpatrick, who is now serving 28 years in prison for extortion and other crimes, and current Mayor David Bing, a former basketball player whose steel and auto parts businesses were subsidized through contracts set aside for minorities by the Detroit automakers.

Bing is leaving office having overseen a 25 percent reduction in the city workforce and collaborated in the handing over of all executive powers to the emergency manager.

The thinly veiled appeal to race by Duggan's opponent Benny Napoleon—the candidate of the UAW and trade union bureaucracy—failed to persuade voters to support him.

The new occupant of Manoogian Mansion will be a direct representative of the corporate and financial elite. Duggan's chief contribution to the DMC was to slash costs so that the non-profit hospital, which served the city's poor, could be turned over to a for-profit conglomerate, Vanguard, which pays little or no taxes and stands to make a killing from President Obama's health care overhaul. As Duggan said at the time, "The nonprofit hospital model is killing health care in the city of Detroit."



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